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No. 195

IN THE

Supreme Court of the United States

October Term, 1946.

CARON CORPORATION,
Plaintiff-Appellant,

AGAINST

MARIE O. OLLENDORFF,
Defendant-Appellee.

Respondent's Brief in Opposition to Petition for Writ of Certiorari to the United States Circuit Court of Appeals for the Second Circuit.

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Statement.

The petitioner's summary statement of the case is incomplete. This requires a brief additional statement.

The petitioner's sales of Bain de Champagne started in 1924, reached their peak in 1926; then slumped so that there were no sales in 1936. There were few sales from 1938 through 1942.

The petitioner pleaded (Complaint, Par. 8) that the word "champagne" had acquired a secondary meaning (R. P. 5). Respondent denied the allegation; and the question of secondary meaning was put in issue. The evidence established that others had used "champagne", either singly or in combination with other words, as a mark for toilet preparations.

The petitioner raised no issue at trial or on appeal as to whether the law governing the case was local law or federal law. This issue cropped up for the first time in the petition to the Circuit Court of Appeals for a rehearing.

The issue tried was entirely limited, by petitioner's counsel to one of infringement by respondent in using the word "champagne" on her label (R. P. 103).

Argument.

I.—This case presents no questions of conflict as to the applicable substantive law.

II.—There is no difference between New York decisions and Federal decisions as to what constitutes a valid trade mark or infringement thereof. Moreover, petitioner's mark stands adjudged as valid.

III.—The New York courts are in accord with the Federal Courts that if the allegedly infringing mark is too dissimilar to be likely to cause confusion, there is no infringement.

IV.—The New York courts are in accord with the Federal courts that the decision in each case depends upon the facts developed in the particular case.

On the trial of this case in the District Court petitioner's counsel stated:

> "Mr. Leon: Likewise, if it will shorten the trial, your Honor, the issue here is entirely limited to one of infringement, that is to say the use of the word Champagne by the defendant on its label. We do not contend that there is any imitation of our bottle. That is not the case" (R. P. 35).

Thus the sole issue tried in the action (based on the registration under the Act of 1905 of petitioner's mark "Bain de Champagne" used solely on a scented water softener and the allegation that respondent's mark "Pink Champagne Cocktail" used on a face refresher was an infringement thereof), was limited to the question of petitioner's exclusive right to the use of the word "Champagne."

The trial Judge found as facts:

(a) That the entire phrase "Bain de Champagne" was a valid trade mark for petitioner's bath water;

(b) That there was no infringement; and

(c) That the word "champagne" had not acquired a secondary meaning.

These findings were affirmed on appeal.

There is accordingly, no question raised as to the applicable law in respect of the validity of petitioner's mark as registered and used, *i. e.* the mark "Bain de Champagne."

Petitioner's brief (p. 8 and p. 11) asserts:

> "2. The decision of the Appellate Court below that a mark such as 'Bain de Champagne' applied to a toilet preparation is descriptive on the theory that the word 'Champagne' in that connection is to be construed as a synonym for the word 'stimulating' is contrary to the law of New York State."
>
> "3. Upon its own theory that Petitioner's mark was descriptive the Appellate Court below should have dismissed the case for want of jurisdiction instead of affirming a dismissal upon the merits."

Both assertions are erroneous. The Circuit Court of Appeals never said that petitioner's registered mark "Bain de Champagne" was descriptive. On the contrary, the Circuit Court accepted the District Court's judgment that the registered mark "Bain de Champagne" was valid. Judge Hand (in pointing out that "Pink Champagne Cocktail" differs from "Bain de Champagne" as a whole and declaring that "when less than the whole of a plaintiff's mark is used by a defendant, in order to sustain a charge of infringement 'it must appear that the part taken identifies the owner's product without the rest' "), said:

> "The mere presence in the trade mark of such a descriptive word as 'champagne' would have no such tendency. Indeed, when taken alone, it would seem to have no greater import as a means of identification than would the word 'stimulating.' "

Accordingly, no question is involved herein as to the validity of petitioner's mark.

As to the Question of Infringement, the New York Courts Are in Accord With the Federal Courts That if the Allegedly Infringement Mark Is Too Dissimilar to Be Likely to Cause Confusion, There Is No Infringement.

In *Seven Up* v. *Cheer Up Sales Co.*, 148 Fed. 2d 909 (C. C. A. 8, 1945), c. d. 326 U. S. 727, the court affirmed a finding of the trial Judge that the mark "Cheer Up" did not infringe the well known trade mark "Seven Up" as applied to a soft drink. The court said:

> "The marks considered as a whole in respect of both appearance and sound, are too dissimilar in our opinion to be likely to produce confusion" (p. 912).

In *H. E. Allen Mfg. Co.* v. *Smith,* 224 App. Div. 187, 229 N. Y. Supp. 692 (1928) the court held that the mark "So-Bos-So" as applied to a fly spray for cattle was not infringed by "E-Z-Bos" for a similar fly spray and vacated an injunction which had been granted by the trial court. The Appellate Division said:

> "In our opinion, the two trade names are sufficiently distinct, so that mistake or confusion was not to be anticipated. The names bear to each other no closer resemblance than those considered in many cases where relief by injunction has been denied. *Gotham Silk Hosiery Co. Inc.* v. *Reingold,* 223 App. Div. 260, 228 N. Y. S. 9; *Boyshform Brassiere Co.* v. *Modishform Brassiere Co., Inc.,* 205 App. Div. 14, 199 N. Y. S. 135; *S. R. Feil Co.* v. *John E. Robbins Co.* (C. C. A.) 220 F. 650; *Sears, Roebuck & Co.* v. *Elliott Varnish Co.* (C. C. A.) 232 F. 588; *Schield et al.* v. *Jones,* 56 App. D. C. 252, 12 F. (2d) 325; *Franklin Knitting Mills, Inc.* v. *Kassman & Kessner, Inc.,* 56 App. D. C. 348, 13 F. (2d) 319, *Nor is the syllable 'Bos' the trade name adopted by the plaintiff. It is simply a part of the trade name, and not so distinct a part that the court can say that it may not be used by the defendant in other combinations.* In these respects the injunction was unwarranted." (Italics ours.)

It will be noted that in *Allen* v. *Smith, supra,* the Appellate Division cites as authority for its conclusion both New York cases and well known Federal cases. This establishes that there is no difference between the rules of the Federal Court and the rules of the New York State Courts as to the law to be applied in adjudicating alleged infringements of trade mark.

In *Allen* v. *Smith, supra,* the Appellate Division not only vacated the injunction, but stated what conditions must exist before an injunction should issue. It said:

> "An injunction should not be granted, unless the terms are so similar as reasonably to mislead or deceive a purchaser into the belief that one product is the other. All possible mistake or confusion cannot be avoided."

The Appellate Division further said, at page 695 of 229 N. Y. S.:

> "If the trial court had been of the opinion that the size, shape, and dress of the containers were such that, taken in connection with the trade name, confusion or mistake was apt to occur, an injunction might have been granted against the use of containers of such size, shape and dress for the defendant's product in connection with the trade name 'E-Z-Bos.' *Gotham Silk Hosiery Co., Inc.* v. *Reingold supra; Fischer* v. *Blank,* 138 N. Y. 244, 33 N. E. 1940; *Colman* v. *Crump,* 70 N. Y. 573; *Anargyros* v. *Egyptian Amasis Cigarette Co.,* 54 App. Div. 345, 66 N. Y. S. 626; *Reckitt & Sons* v. *Kellogg,* 28 App. Div. 111, 50 N. Y. S. 888; *Day* v. *Webster,* 23 App. Div. 601, 49 N. Y. S. 314; *Boyshform Brassiere Co.* v. *Modishform Brassiere Co., Inc., supra.*"

The New York Courts Are in Accord With the Federal Courts That Infringement Is a Question of Fact; and That the Findings of Fact of the Trial Judge, if Supported by the Evidence, Will Not Be Disturbed.

In the *Seven Up Co.* v. *Cheer Up Sales Co., supra,* the court said at page 911 of 148 F. (2d):

> "Whether the defendants' trade mark 'Cheer Up' is so similar to the trade marks 'Seven-Up' or '7 Up' that the former deceives or is likely to deceive purchasers and cause them to buy the product of the defendants believing it to be the product of the plaintiff, is a question of fact. The findings of the trial court on this question are presumptively correct, and such findings will not be disturbed on appeal, unless this court can say that in the light of the evidence the court erred as a matter of law. *Cleo Syrup Corporation* v. *Coca Cola Co.*, 8 Cir., 139 F. 2d 416, 417, 150 A. L. R. 1056; *F. W. Fitch Co.* v. *Camille, Inc., supra; Magazine Publishers, Inc.* v. *Ziff-Davis Pub. Co.*, 2 Cir., 147 F. 2d 182, 185; Rules of Civil Procedure, rule 52, 28 U. S. C. A. following section 723c."

In *Fischer* v. *Blank*, 138 N. Y. 244, an infringement action, the Court said at page 251:

> "We cannot review the findings of fact of the trial judge if there is any evidence which legitimately tends to support his conclusions. After a careful perusal of the testimony in the record, and an inspection of samples of the packages put upon the market by the parties respectively; we are not prepared to say that the evidence is insufficient to sustain any material fact found by the trial court."

Each Case of Infringement Must Be Decided on the Particular Fact Developed at the Trial. The New York Courts Agree With the Federal Courts That Such Is the Law.

In *Fischer* v. *Blank*, 138 N. Y. 244, the Court said:

> "Each case [of alleged infringement] must in a measure be a law unto itself. The authorities bear-

ing upon the general question are numerous, and diverse, and a further citation of them would not be profitable" (p. 252).

In *Boyshform Brassiere Co.* v. *Modish Form Brassiere Co.*, 205 App. Div. 14, 199 N. Y. S. 135, the Court said:

> "Every question of unfair competition presents issues of fact rather than those of law (*Colman* v. *Crump*, 70 N. Y. 573), and there can be no hard and fast rule for determining such a question, since each case stands upon its own facts" (*Burrow* v. *Marceau*, 124 App. Div. 665, 109 N. Y. Supp. 105).

As to Petitioner's Contention That the Courts Below Erred in Holding That "Champagne" Alone Had Not Acquired a Secondary Meaning, It Is to Be Noted That Petitioner Itself Raised the Issue That "Champagne" Had Acquired a Secondary Meaning.

Petitioner alleged in the complaint (Par. 8, R. P. 5)

> "By reason of the very high reputation which the products sold in the United States by plaintiff under the trade mark 'Bain de Champagne' have achieved, and by reason of the efforts of the plaintiff in advertising the same, the word 'champagne' acquired a distinct and widely recognized secondary meaning; namely, when used by the public in connection with toilet goods said word refers to and designates particular and distinct preparations which have been sold throughout the United States by plaintiff, and nothing else."

The petitioner raised that issue because the law, as declared by both the Federal and New York courts, is settled that where less than the whole of a plaintiff's

mark is used by a defendant, the part taken must identify the owner's goods without the rest.

In *Allen* v. *Smith, supra,* the Court said:

> "Nor is the syllable 'Bos' the trade name adopted by the plaintiff. It is simply a part of the trade name and not so distinct a part that the court can say that it may not be used by the defendant in other combinations. In these respects, the injunction was unwarranted."

The Trial Court Found as a Fact That "Champagne" Had Not Acquired a Secondary Meaning and This Finding of Fact Was Overwhelmingly Supported by the Evidence. Scandia Jourde Had Used the Word "Champagne" on Its Products for at Least Fifteen (15) Years.

Insofar as petitioner complains that the Circuit Court of Appeals holding that the plaintiff had failed to establish any trade mark right to use the single word "champagne" as against respondent and Scandia, was in conflict with the law of New York, it is to be noted that the cases relied on by petitioner are not in point. Any such rule applies only where a defendant charged with appropriating the whole of an owner's mark is not permitted to rely upon the use of that whole mark by a third party. In this case, plaintiff's registered mark is "Bain de Champagne" in its entirety and not the word "champagne" alone. It was overwhelmingly proved that the word "champagne" had not acquired a distinctive or secondary meaning. The courts below were correct in holding that petitioner had failed to establish any exclusive right to use the word champagne.

As to petitioner's contention that it is not necessary to establish actual confusion in a trade mark infringement action, such contention is correct only where it is clear

that the challenged mark is likely to cause confusion. That is the rule of both the Federal Courts and the New York courts. Petitioner glosses over the fact that its registered trade mark is "Bain de Champagne" as a whole. The jurisdiction of the courts below as well as of this court is based on the registration of the composite mark "Bain de Champagne." It is axiomatic that a trade mark must be considered in its entirety.

Accordingly, petitioner cannot disavow part of that registration and argue that the remainder "champagne" alone for which it holds no registration and which possesses no secondary meaning is infringed by "Pink Champagne Cocktail."

That conclusion is supported by *Allen* v. *Smith, supra* and *Parfumerie Roger & Gallet* v. *M. C. M. Co.*, 24 Fed. (2d) 698.

Not only is it obvious that there is no likelihood of confusion but the proof established that Scandia Jourde had used "champagne" for many years on toilet articles without confusion. The actual fact that Scandia Jourde had used the word "champagne" for at least fifteen (15) years and respondent since 1941, without confusion, negatives the likelihood of confusion.

Petitioner also argues that the courts below did not expressly rule that the respondent's mark "Pink Champagne Cocktail" is not a colorable imitation of "Bain de Champagne." The ruling that there is no likelihood of confusion encompasses the conclusion that the mark "Pink Champagne Cocktail" is not a colorable imitation of "Bain de Champagne." Indeed, the finding that "Pink Champagne Cocktail" does not infringe "Bain de Champagne" embodies all the grounds, under Federal or New York decisions, as to what constitutes an infringement of a trade mark.

Petitioner asserts that the Circuit Court of Appeals ignored its preemptive rights. That assertion is wrong.

The Circuit Court of Appeals never said that the goods of the parties were not of the same descriptive properties.

Judge Hand said:

> "If the evidence had shown that the word 'champagne' when used on toilet articles had come to indicate only the plaintiff's goods, the argument might have substance even if the particular registered mark had been used merely in connection with a bath preparation."

That is a clear declaration that the owner of a mark which identifies his bath preparation is entitled to protection against the use of that identifying mark by another on toilet articles. As to this the courts properly found that "champagne" alone does not identify petitioner's bath water.

Petitioner's reference to the decision of the Examiner of Trade Mark Interferences in the opposition proceeding against Banta is inapplicable to the case at bar. The Circuit Court of Appeals was correct in holding that such proceeding not only dealt with a toilet soap but was upon a record quite different from the one before the court and that it had no bearing on the issues under consideration.

It is settled that decisions of the Patent Office tribunals including those of the Court of Customs and Patent Appeals in trade mark opposition proceedings, are not *res judicata.* That is so because the decisions in those purely statutory proceedings relate solely to the right of an applicant to register a trade mark. Those tribunals have no jurisdiction of actions for infringement wherein the equities of the parties are adjudged in accordance with the facts and the law applicable thereto.

Conclusion.

For the foregoing reasons, it is submitted that the petition for a writ of certiorari to the Circuit Court of Appeals for the Second Circuit should be denied. It presents no questions of merit to be adjudicated by this Honorable Court adversely to the respondent's contentions.

WHEREFORE, respondent prays that the petition for the writ of certiorari to the Circuit Court of Appeals to the Second Circuit, be denied.

Dated: New York, August 25, 1947.

Respectfully submitted,

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